

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 5 February 2025 at 5.30 p.m.

Present: J Jamieson (Chair)
C Taylor
S Niven
G Jackson
R Smith
H Bremner
M McIntyre

In Attendance: C McKiernan, Director
S Tait, Depute Director/Head of Assets
P McCann, Head of Housing Services
K Tait, Finance & Corporate Services Assistant
P Long, FMD (Item 4)

1. APOLOGIES

Apologies were received from P O'Connell, A Coll, K McIntyre and M Docherty.

2. DECLARATIONS OF INTEREST / DEFFERED ITEMS

There were no Declarations of Interest or deferred items.

3. MINUTES AND MATTERS ARISING

Management Committee Meeting 04/12/24

The minutes were proposed by J Jamieson and seconded by S Niven.

Matters Arising

There were no matters arising.

Wider Role & Regeneration Sub-Committee 10/12/24

The minutes were proposed by J Jamieson and seconded by C Taylor.

Matters Arising

There were no matters arising.

Action List

Committee noted the contents of the Action List from 4 December 2024.

4. FINANCE REPORTS

i) Management Accounts to 31 December 2024

P Long referred Committee to the Management Accounts to 31 December 2024 and advised these represented the third quarter of the year.

Statement of Comprehensive Income for the period to 31 December 2024

P Long advised that the Association had an operating surplus of £873,000 at 31 December. P Long explained that this is higher than the budgeted surplus of £735,000 and was due to lower maintenance costs.

Committee noted that net interest payments of £508,000 reduced the surplus down to £365,000 for the year to date compared to a budget surplus of £167,000.

P Long added that taking account of the variances and revised forecasts for the remainder of the year to the end of March 2025, the net surplus would sit at £213,000 compared to the budgeted surplus of £291,700 at March 2025.

Statement of Financial Position

Committee noted that a total of £3.082M had been spent on the new development at Fauldhead Road. £235,000 has been spent on new component works up to 31 December 2024. The net cost of housing assets is £25.780m, the net cost of other fixed assets is £885,000.

P Long highlighted that cash balances at 31 December 2024 totalled £4.246m which is higher than the budgeted amount of £2.292m. P Long advised that this is due to a higher starting position at the start of the year along with a late site start date to the Fauldhead Road development.

P Long explained to Committee that with these variances and revised forecasts for the remainder of the year would suggest that the cash balances at March 2025 will be £2.385m compared to the budgeted amount of £2.215m.

Committee noted that long term creditors sit at £10.9m and include the Scottish Government loan of £340,000. P Long added that the pension fund valuation is reporting a deficit of -£177,000 and the deferred income sat at £15.6m.

It was noted that the Association's net assets sat at £3.345m at 31 December 2024.

Covenants

P Long referred to the covenant analysis as at 31 December 2024 and confirmed that the Association is able to comply with all the financial covenants with the Royal Bank of Scotland.

Committee approved the Management Accounts to 31 December 2024.

ii) Draft Budget 2025/26

P Long presented the Draft Budget for 2025/26 to the Committee for approval.

Statement of Comprehensive Income

P Long explained that a rent increase of 3.3% has been assumed for the purpose of the draft budget. This would mean a total rental income of £4.789m for the year. Revenue grants of £28,000 are assumed via stage 3 adaptations this is down from £45,000 in the last year. Capital grants amortised in the year will total £539,700.

Other income of £23,700 will be received for Welfare Rights services which are provided to Caledonia HA.

Total turnover for the year will be £5.380m

Staff costs include an assumed 3% pay award on top of any increments which will mean the total staff costs for the year will amount to £1.156m. The cost of indirect staff costs i.e., financial services will be £40,000.

Reactive costs will total £614,800 and Cyclical Maintenance costs £392,700 for the year. Overheads will amount to £612,700.

Total operating costs will be just over £4.457m. The Association will therefore have an operating surplus of £922,000 in the year

P Long confirmed that there will be a projected net surplus of £46,700 at March 2026.

Statement of Financial Position

It was noted that capital expenditure in the year will amount to £1.276m in respect of boiler and kitchen upgrades. In addition, the Association will spend £1.1m on the Fauldhead Rd development. The total cost of housing assets after depreciation will be £29.89m. The value of other fixed assets will be £850,000. The Association's opening cash balance at March 2025 will be £2.519m this will decrease to £1.286m by March 2026.

The value of debtors and short-term creditors will take the value of working capital to £672,000.

Long Term Liabilities

Long term liabilities will total £13.094m and will include the amount due to the Royal Bank of Scotland after one year £12.754m and the amount repayable to the Scottish Government £340,000. In addition the value of the pension liability will be £177,000

The amount of deferred income will be £14.991m

The net assets of the Association will be £3.157m at March 2026 and this will be matched in the reserves.

Covenants

P Long advised that the Association will be able to comply with all the financial covenants in the loan agreement with the Royal Bank of Scotland.

Longer term

P Long concluded by saying that this budget will help form a new year 1 in the

30 year cashflow forecast. Work will continue on this until the final budget for 2025/26 is approved.

Committee formally expressed their thanks to all staff involved in preparing the budget and to P Long, noting the considerable work involved.

Committee asked for clarification of costs relating to one off boilers. S Tait explained that all boiler replacement costs including planned replacement works had been posted to one off boiler budget heading. S Tait also confirmed there is no difference in cost if completed via planned programme or as a one off. (Post meeting note – there have been 14 one off boilers completed this year to date.)

Following discussion Committee approved the draft budget for 2025/26. In the event of any changes a Final Budget will be presented to the Committee at the March meeting.

iii) Refinancing Approval

C McKiernan presented a paper relating to the final approval of all the revised loan documentation with RBS Committee were issued with the following documents to read and approve or note as required: Facilities Agreement, Amendment and Restatement Agreement, Draft Management Committee Meeting Extract Minute, Officer's Certificate, Conditions Precedent Checklist and the BTO Note on the Principal Terms of the Facilities. Committee were advised that all of the documents had been thoroughly reviewed by the Director, FMD & BTO. The contents of the loan documentation, while lengthy, are standard and there are no areas of concern to highlight. However, there are obviously clauses relating to default and breach of covenants and these were highlighted to Committee along with the potential consequences of such events.

C McKiernan took Committee through the draft minute extract. Committee approved that Clause 5.2.5 show any of C McKiernan and J Jamieson as authorised to execute the Transaction Documents. Committee approved the minute extract being signed by the Chair.

RBS currently holds the vast majority of the Association's stock as security. The Association has submitted a request to RBS for the release of 269 units from security which represents 33.7% of the Association's stock. RBS provided formal approval of this request on 24 January 2025. BTO are currently progressing the legal work to conclude the security release. The process will be concluded in tandem with the new loans being put in place.

Committee approved the proposed loan refinancing and the signing of the Transaction Documents with RBS.

5. HOUSING MANAGEMENT REPORTS

Rent Review Consultation

P McCann presented Committee with a breakdown of the recent rent review consultation carried out by the Association. P McCann reminded members that at the December Management Committee it was agreed the Association would consult tenants on an increase of 3.3% which is October 2024 CPI +1%.

There was a total of 106 responses with 59(56%) of respondents agreeing and 47(44%) of respondents disagreeing with the proposal. It was noted that many respondents still highlight the ongoing issue of the cost of living with many seeing grocery costs increasing and wages stalling.

During discussion Committee highlighted that any form of increase may be seen as a negative to most tenants but noted that we were proposing a lower increase than many other Associations this year. It was also mentioned that the Association should continue to highlight the increase in operating costs and advertise the support the Association is able to provide through welfare rights and grants.

Following discussion amongst members Committee formally approved the proposed 3.3% rent increase.

Tenant Participation Strategy

P McCann presented Committee with the Tenant Participation Strategy for approval. This strategy and accompanying Action Plan aim to promote more tenant involvement in shaping key services. The Customer Care Working Group reviewed the Strategy and it was amended to include their recommendations, such as encouraging participation through hosting and attending community events. The Action Plan sets out key activities to be carried out over the lifespan of the Strategy and will be reviewed on a continuous basis ensuring it reflects tenant priorities. S Niven asked if there is any set figures or targets on how many tenants participate with the Association. P McCann advised that this was a tenant led document and that the quality of tenant engagement was more important than numbers per se. She further advised that it is a 3 year strategy and at the end of it the Association will look at what the strategy has achieved and how it should move forward.

Following discussion Committee approved the Tenant Participation Strategy.

6. DIRECTOR'S & NOTIFIABLE EVENTS REPORT

Regulation

C McKiernan advised that the Association has no outstanding notifiable events and reminded Committee that they could raise any new concerns at any time.

C McKiernan advised that the Regulator has recently asked the Association for more information on our approach to stock condition surveys and how we ensure that we have robust knowledge of our stock more generally. This is similar to a request that was received from the Regulator this time last year.

A full and detailed response was submitted to SHR on 14 January 2025 and this was acknowledged by them.

Our Asset Management Strategy is due for review towards the end of 2025. As approved by Audit Sub Committee on 29 January 2025 we have added an internal audit on Asset Management to the programme for 2025/26, this decision was ratified by Management Committee.

Governance

Committee noted the position in relation to EDC appointees to Management Committee.

Committee were reminded the SHARE E-Learning portal is now up and running and available for Committee to use. G Jackson advised that he had done a number of short courses and found them very useful.

Internal Audit

C McKiernan advised that a meeting of the Audit Sub-Committee took place on Wednesday 29 January 2025, the minutes for this meeting will come to the March Management Committee meeting.

Wbg will attend the March Management Committee to present the Audit Summary report for 2024/25.

Cyber Security

The Association's quarterly review with LUGO took place today and this went well.

Correspondence and Events

C McKiernan advised that GWSF are hosting an event celebrating 50 years of Community based housing which she will be attending with S Tait and J Jamieson.

Kitchen Replacement Programme

S Tait advised that the Kitchen Replacement Programme continues to progress really well as it nears completion. This has been helped by Ross Quality Control providing 4 days a week cover to oversee the project following some staff shortages in the property services team.

Storm Eowyn

C McKiernan advised that there was some damage caused by the recent storm. Most repairs required are to fencing and roof tiles. There was one tenant who initially stayed elsewhere due to a tree falling on their roof, however this is not as bad as first feared and the tenant has now moved back in and repairs can be carried out with the tenant in situ. S Tait advised that the Association has begun the process of an insurance claim which will fall under just one claim.

Strategic Planning

C McKiernan advised that the strategic planning day has been booked for Friday 14 March 2025 at the Broadcroft Hotel in Kirkintilloch. Alison Smith from Allanpark Consulting will be facilitate the day. The majority of staff will also be in attendance including those who do not usually work on a Friday and it is vital that as many Committee members as possible attend given the importance of strategic and business planning to the Association.

Committee noted the contents of this report.

7. PROPERTY SERVICES REPORTS

i) Fauldhead Road Progress Report

S Tait presented Committee with an update on the new development at Fauldhead Road. S Tait advised that as per previous months there are no changes to the financing of the development and he does not expect any future changes.

Development of the blocks continues to progress well and there was minimal damage caused to the site by the recent storm.

In relation to the site boundary and access to the SUDS pond, a suitable cost neutral solution is still being sought for this. Secure by Design representatives are due to visit the site this month to review the architect's proposals.

With regards to Community Benefits, to date six work placements have been delivered on site from a target of eight. Training opportunities have been provided to six staff members, with qualification now complete. McTaggart have also delivered five career events, the original target being four.

The contract is currently on track for completion in August 2025.

Committee noted the contents of the development report

ii) Appointment of Reactive and Void Contractor

S Tait advised that this was a joint procurement with Abronhill Housing Association however the two organisations will enter into individual contracts with the supplier. The contract was advertised on the Public Contracts Scotland website with a period of 3 years with an option to extend for four further years, but one year at a time. S Tait advised that Rodgers and Johnston who are the current contractor scored highest for quality. In relation to price, analysis of the three most economical tenders was carried out. Concerns were noted that two of the bidders hourly labour rates may be abnormally low. It was also noted that the majority of repairs issued took two hours or less, meaning overall Rodgers & Johnstone submitted the Most Economical Advantageous Tender (MEAT).

Committee approved the appointment of Rodgers and Johnstone as the Reactive and void maintenance contractor.

8. PERFORMANCE REPORTS

i) Quarterly Performance Reports

Property Services

S Tait presented the Property Services performance report for Q3. The Association completed 97.63% of emergency repairs on time and 98.33% of non-emergency repairs on time. The average time it took to complete emergency repairs was 1.26 hours and 2.26 days for non-emergency repairs.

S Tait advised that a total of £27,000 has been spent on general adaptations from the grant of £27,880.

The Association received 13 repairs satisfaction surveys in Q3 with 12 of the 13 saying they were satisfied and 1 saying they were neither satisfied or dissatisfied with the repairs service provided.

Housing Management

P McCann advised Committee that a total of 7 properties were let in Q3. At the end of Q3 30% of lets have gone to EDC, this is lower than the target of 45% as the association had been focusing on waiting list applicants. Lettings plans are being issued to the housing team regularly with targets.

The average re-let time for the quarter is 44.7 days and 32.7 days for the year to date. The re-let time figures continues to increase despite a noticeable reduction in re-lets. This is due to most properties continuing to require significant void works.

In Q3 the refusal rate was 22.2% this equals a total of 2 refusals from 9 offers.

Current tenant arrears at the end of Q3 are 2.34% (£104,861.89) this is up from 2.05% (£93,404.43) in Q2. Former tenant arrears at the end of December 2024 was £38,056.59.

In Q3 a total of 6 anti-social behaviour complaints were received with 75% of these complaints being resolved however this was down to a timing issue and the cases are now considered resolved.

A total of £82,132.84 has been received for Hillhead tenants by the Welfare Rights team in Q3. Committee were asked to note that Caledonia HA have signed a service agreement to pay for our Welfare Rights service for a further year.

Finance and Corporate Services

C McKiernan advised that there was a discrepancy with the figures shown on complaints and this will be clarified.

Committee noted that there was one Freedom of Information request received in Q3. Committee queried the nature of the request and P McCann advised

that it was regarding numbers of non UK nationals living in the Association's properties.

There were no subject access requests or data breaches in the quarter.

Committee noted the contents of this report.

ii) Tenant & Resident Safety Compliance & Performance

S Tait presented Committee with the Tenant and Resident Safety Compliance and Performance table. This table detailed all tenant safety measurements the Association must follow and confirmed compliance in each area. This includes - Gas Safety, Electrical Safety, Asbestos, Water Quality, Fire Safety, and Damp and Mould.

Committee noted the contents of this report.

9. A.O.C.B

C McKiernan advised that senior staff recently met with the new MP Katrina Murray. Topics discussed included the economic and social challenges faced by tenants, and the lack of social housing to meet applicant demand. The financial challenges facing the Association in terms of increasing costs for labour and material, and concerns around funding uncertainty to meet decarbonisation requirements were also discussed.

10. DATE OF NEXT MEETING

Wednesday 5 March 2025 at 5.30 p.m.

Minutes prepared by K Tait, Finance & Corporate Services Assistant
 Chairperson's Signature:

Date:

Copies of the above reports are available on request.